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ORGANIZATIONAL APPRAISAL AND CAPABILITY FACTORS DYNAMICS EVALUATION: IMPLICATIONS FOR STRATEGY FORMULATION PERSPECTIVES

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ABSTRACT

The study critically examined organizational appraisal, which simply involves the assessment of functional areas policies and strategies. The focus on appraisal and diagnosis of the external environment enables the firm to think of what it might choose to do, as well as determining which opportunities and threats could be significant to the company in the future. On the other hand, and elatedly, the focus on the appraisal and analysis of the internal environment dynamics will also enable the firm to decide about what it can do, using the strength to exploit opportunities which can help the firm's development of strategic advantage. Thus, the strategic advantage analysis and diagnosis is the process by which the strategists examine and monitor various factors and functional areas including the company's product lines, marketing and distribution, finance and accounting, research and development, information system management, production and operations, corporate resources and personnel factors that will enhance feasible strategy formulation and implementation. The essence of this as examined in the study, is to determine where the firm has significant competencies, so that it can most effectively exploit the opportunities a meets or face the threats the environment is presenting. In effect, it is the fit resulting from the interaction between the external and internal environment resources view dynamics that enable an organization to formulate its strategy and enhance corporate firms' sustainability. The study therefore, recommends amongst others, the horizontal capability assessments that relate to the functional areas capability factors of strategic business units.

KEYWORDS: *Organizational Appraisal; Capabilities Factors; Functional Strategies; Firms Sustainability; Competitive Advantages; Strategy Formulation; Competencies*

INTRODUCTION

Organizational appraisal and capability relate to the appraisal of internal environment and its capability factors dynamics assessment. The internal environment within which employees operate includes corporate culture, organizational resources, organizational politics, organization structure, production technology, organizational climate and physical facilities. However, of all these, organizational culture appears as most important to competitive advantage. The internal environment variables (including culture) must fit the needs of the external environment and firm's strategy. The fit between external and internal environment resources and factors will make highly committed organizational members (employees) to create a high-performance organization that competitors will find tough to beat. Organizational climate relates to the overall atmosphere of the enterprise as reflected by the way the participants interact with each other, conduct themselves with customers, and feel

about the way they are treated by higher-level management. Many companies achieve capability sustainability by deciding on what they have the competence and do best, in addition to concentrating their strategies, core and distinctive capabilities. Organizational capabilities are the result of organizational activities leading to rewards in terms of functional areas parameters such as finance, accounting, marketing, human resources, profit or shareholder value, research and development and/or non-financial parameters such as market share, organizational growth, organizational climate, image, or reputation. The organizational capability in this context implies the strengths and weaknesses operating in the various factors and respective functional areas of the company. It is worthy to note that the mere possession of resources alone may not make an organization to be capable as some people may envisage, rather such may depend on the organizational climate, resources usage, applicability and organizational behaviour. Organizational behaviour in this context is the manifestation of the various forces and influences operating in the internal environment of an organization that create the ability for, or place constraints in the usage of resources (Kazmi, 2008). This is unique according to him, in the sense that it leads to the development of a special identity and character of an organization. Some of the important forces and influences that elatedly affect organizational behaviour as noted among others are; the quality of leadership, management philosophy, shared values and culture, quality of work environment and organizational climate, organizational politics and power game, and use of power. These collectively and ultimately will lead to the production of the firm's strengths and weaknesses. Strengths and weaknesses, like organizational resources and behaviour that create them do not exist in isolation or individually, rather synergistic and combine in various ways to produce strategies. Synergy implies the idea that the whole is greater than sum of its parts. It is also expressed as "the two-plus-two equal to five (2+2=5) concept. In this sense, synergistic behaviours and effects may lead to the development of competencies (i.e. special qualities an organization possess that enable them withstand competitive pressure in the marketplace) in organizations. The capability of a firm to use the competencies very well makes it to have core competence. Similarly, when a specific ability is possessed by a particular firm exclusively, or in a relatively large measure, such is called a distinctive competence. For example, differential advantages due to superior research and development (R&D) skills, low cost of financial source, creation of a market niche for supply of highly specialized products, superior product quality in a particular attribute not available to the firm's competitors. In addition, a distinctive competence is also any advantage an organization has over its competitors due to the fact that, it can perform functions which its competitors cannot do, or it can do something better than the competitors can. It is interesting to note that it is not necessary for all organizations to possess distinctive competence, or for all that possess it to use the competencies for strategic purposes. However, the possession of distinctive competence is very important and useful for the purpose of strategy formulation. Nevertheless, the importance of distinctive competence in strategy formulation rests with "the unique capability it gives an organization in capitalizing upon a particular opportunity; the competitive edge it may give a firm in the market places and the potential for building a distinctive competence and making it the cornerstone of strategy" (Thompson and Strickland III, 2001). However, it is important to point out that the three related concepts or terms, competence, core competence and distinctive competence, are synonymous with a hairline distinction between them. The little difference according to Kazmi (2002) lies on the degree of uniqueness associated with the net synergistic effects occurring within an organization, but the term "core competence" has gained greater currency and popularity in organizational management.

Theoretical Framework and Review of Relevant Literature

Every business organization has strategic advantages and disadvantages, and within an organization, each division has varying strengths and weaknesses. In fact, a firm must determine what its distinctive competencies are (i.e. what makes it

unique to the competitive arena) so that it can make decisions about how to use these abilities now and in the future. Core or distinctive competence may serve a useful purpose in event of its being used to develop sustained strategic advantage, by way of building up organizational capability.

Organizational Capability

Organizational capabilities are bundles of inherent skills and accumulated knowledge, exercised through organizational process that enables firms to coordinate activities and make use of their assets (Day, 1994). Relatedly, Kazmi (2008) expressed that organizational capability is the inherent capacity or potential of an organization to use its strengths and overcome its weaknesses in order to exploit opportunities and face threats in its external environment. In addition, organizational capability is also viewed as a skill for coordinating resources and putting them to productive use. Irrespective of how valuable and unique organizational resources may be, they will be worthless if there is no capability. It is worthy to note that the employees' skills and knowledge are the constituents of the organization's knowledge base. This, in addition to other valuable inherent resources, gives rise to the organizational capabilities. The inherent knowledge-base makes organizations to be considered as reservoirs of knowledge and also as learning organization (an organization that is skilled at creating, acquiring, and transferring knowledge and at modifying its behaviour to reflect new knowledge and insights) which has much applicability in strategic management. Business strategies are always intertwined with bundles of capabilities. A firm's capability is the combination of processes, tools, skills, technology, knowledge and organizational design needed to deliver specific values or outcomes. In other words, organizational capabilities are processes that are strategic as well as the deliverance of high level of values to customer. In view of this conceptual understanding, an organization may have the capability to:

- Enter new markets successfully.
- Create excellent new products or services which could also appeal to customers.
- Provision of an outstanding level of customer service.

Most strategists have primary interest in organizational capability because of two basic reasons as relatedly opined by Kazmi (2002).

- In the first instance, they wish to understand the type of capacity that is prevalent within the organization in order to exploit opportunities or face threats in its environment.
- In the second place, they have the interest to understand the kind of potential that should be developed within the organization in order to exploit opportunities and stand better chance of facing threats in future.

Organizational appraisal could be measured through the process of its analysis, with the basic understanding of the factors and influences prevalent within the organization. These factors are generally called organizational capability factors, and have relationship with the functional areas of the organization.

Organizational capabilities and organizational processes functionality are closely related. For instance, it is the capability that enables the activities in a business process functions to be carried out. The business will have as many processes as are necessary to carry out the natural business activities defined by the stage in the value chain, and the key success factors in the market (Day, 1994). However, it is important to point out that the processes are never the same

across industries or for all businesses in the same industry. It is important to remark that an organization's success is deeply rooted in its competitive-edge and organizational capabilities. As a result, a major challenge most strategic managers face is to clarify, assess and continually strengthen the organization's strategic capabilities.

It is similarly noted that, it is the capability that enables the activities in a business to be carried out (Day, 1994; Cravens and Piercy, 2003). They variously advanced that business will have as many processes as are vital and necessary to carry out natural business activities possibly defined by the stage reached in the value chain key success factors in the market.

Identification of Distinctive Capabilities

The identification of the organization's distinctive capabilities (competencies), as well as the knowledge of how they relate to customers value requirement are important considerations in development of say, marketing strategy design. In view of this and as relatedly opined by Prahaled and Hamel (1990), it therefore becomes essential that management should place a company's strategic focus on the company's distributive competence. These capabilities as noted may enable the organization to compete in new markets, provide significant value to customers, and create market-entry barriers to potential competitors. Examples of some organizations distinctive capabilities include:

- An organization being widely acknowledged for its order fulfilment capabilities.
- A successful new product development process that creates many new products each year.
- An organization being widely recognized as the industry leader in customer service delivery.
- A company having value-priced products and convenient retail locations, but its efficient and responsive distribution system is how it mapped the path to competitiveness.

Many organizations achieve capability by deciding on what they do best, in addition to concentrating their strategies on their distinctive capabilities. Day (1994) in his study of "the capabilities of market – driven organizations", argued that, a distinctive capability can:

- Offer a disproportionate (higher) contribution to superior customer value, or
- Enable an organization to deliver value to customers in a substantial more cash-effective manner.

However, Day (1994) is of the view that the most important issue in an organization is deciding which capability to emphasize. The choices nevertheless may not always be apparent, and may involve scenarios that need developing new capabilities that offer the potential of being distinctive. Nevertheless, in other situations, the company may pursue strategic initiatives that may become distinctive over time. The starting point in deciding which capability to pursue according to Day (1994) is the identification and evaluation of the organization existing capabilities. The three characteristics Day exemplified which are useful in identifying distinctive capabilities are when the strategy is:

- Being superior to the competition
- Applicable to multiple competitive situations
- Difficult to duplicate

It is therefore noted that a capability may not only be applicable to multiple competitive situations, but to be sustainable, it needs to be superior to the competition and difficult to duplicate. However, multiple competitive situations applications can add additional strength to the capability.

Strategic Advantages

Strategic advantages evolve from organizational capabilities. This implies that strategic advantages are the by-products or outcome of organizational capabilities. Stated slightly different, strategic advantages are the outcome of organizational activities necessitating the achievement, for instance, of rewards relating to financial parameters, such as profit or shareholders value and non-financial parameters, such as, market share, image or reputation. On the contrary, strategic disadvantages are in the form of negative perspectives, such as financial loss or damage to market share image or reputation. This, in fact, means that the presence or possession of organizational capabilities or otherwise can make the firm to have strategic advantage or disadvantage respectively. In essence, since strategic advantage could lead to firm's profitability; it therefore implies that profitability could be a yard-stick to measure strategic advantage. Unless the executives are fully aware of their strategic advantages, they may not choose one opportunity of the many opportunities available at that time that is likely to lead to the greatest success. This implies that, unless they are regularly analysing their weaknesses, they will not be able to face the environmental threats effectively. In effect, these internal assessments must be combined with external environmental analysis so that strategic decisions can be made about how to use or add company's strengths and minimize weaknesses. Nevertheless, the practical essence of striving for strategic advantage is to enable the organizations to outperform or outwit their competitors, as well as empowering them to realize their strategic intent. In view of these, our major focus will therefore be on how to analyse the functional areas strategic factors realistically and diagnose their significance.

Analysis of Organizational / Functional Areas Capability Factors

Irrespective of the organization that is analysed, the strategist should select a comprehensive set of categories or functional areas and elements that desire the firms operations. The factors or categories may vary from one organization to another. After identifying the appropriate functional areas to analyse, the next step is to decide what aspects of each to analyse. The capability factors are definitely the strengths and weaknesses in different functional areas that are of significance to strategy formulation. Organizational capabilities are usually developed in respective functional areas of business. For instance, personnel, finance, marketing, research and development, and so on. Singh (2004) pointed out that it is feasible to measure and compare capabilities in functional areas, and a company may be regarded as competitive in marketing when it acquires competencies in distribution skills or in the areas of operation because of a superior research and development infrastructure.

There are two fundamental ways to conduct organizational or functional areas capability analysis. These are vertical and horizontal approaches. In the case of vertical approach, strengths and weaknesses are identified at each organizational level. The horizontal analysis perspective corresponds to the functional areas of the strategic business units (SBUs). In this case, strengths and weaknesses are identified for each function. However, the horizontal approach is being preferred in this research study due to its seemingly and more universal applicability. Analysis can be focused on functional departments, or whatever basis of departmentalization that has been in use in a particular organization. Managers seem to use three types of criteria in identifying strengths and weaknesses: historical, competitive and normative (Higgins and Vincze, 1993).

- The analysis of functional areas by historical criteria means comparing present values with their historical counterparts and identifying strengths and weakness on the basis of those comparisons.
- The competitive comparisons involve assessing similarities and dissimilarities with successful competitors and finding strengths and weaknesses accordingly.
- Relatedly, normative comparisons are those where the present characteristics are compared with ideal values as perceived by the analyst or an expert opinion.

Marketing Capability Factors and Strengths

In addressing marketing capability factors, Harvey (1982) opines that the assessment of the marketing position of a firm is the most important task in its capability analysis. This task according to him relates the enterprise to the external environment which is also a vital force in securing competitive advantages. The emphasis here is that, the firm's market standing should be examined in the light of the organization's marketing objectives. In addition to this, what the strategist is actually looking for in this perspective is to see if the firm is substantially and strategically stronger in marketing and distribution of its products or services than its competitor. The survival of each enterprise depends, along with other essentials, upon the provision of goods and services that people want. In knowledge of this understanding, therefore, a critical part of the basis for company strategy is knowing how well relative to competitors, those needs are being fulfilled. The relevant competition as opined by Newman, et al (1989) will also depend on a company's strategy (this implies on what it wants to do). However, some companies are strong in the market and such inherent potential or strength provides them with the capability and strategic advantage in launching new products and services, as well as defending and increasing their market share on existing products and services. Also, in relation to marketing convention, strengths and weakness, the marketing capability factors could be analysed by examining the operating characteristics of the organizations' overall market growth, market share, production capacity, customer perception, brands, profitability indices, products and services, price, promotion, distribution, new product development systems and so on. The firm's strength can evolve from a variety of areas and not limited to the examination of the following marketing internal factors and strengths (Harvey, 1982):

- Competitive structure and market share. In this case, the strategist may want to know, to what extent has the firm established a strong market share in the total market or its key submarkets.
- Efficient and effective market research system.
- The product service mix, relating to quality of products and services, market share, market penetration, market size and market expansion rate.
- Life cycle stage of various products and services, product-service line in relation to completeness of product-service line and product – service mix.
- Patent protection or equivalent legal protection for services.
- Favourable consumer perception and product or service adoption. This relates to positive feeling about the firms image, its product and services on the part of the ultimate consumer.
- Efficient and effective packaging of products and the equivalent for services.

- Effective pricing flexibility and pricing strategy for the firms product and services, relative price position (leader or follower), relationship to gross profit margin and price image.
- Efficient and effective marketing promotion activities other than advertising, budgets as percentage of sales, return measurability and acceptability, in addition to appropriateness of emphasis.
- Efficient and effective sales force, in relation to close ties with key customers, as well as the examination of how vulnerable the firm is in terms of concentrating on sales to a few target customers.
- Efficient and effective channels of distribution and geographical coverage, including internal forces, delivery records, costs, unfilled orders and the examination of other more appropriate or feasible methods of distribution.
- Effective and efficient high profile advertising, in relation to whether it has established the firm's products/services or brand image to develop loyal customers.
- Efficient and effective after sales service and follow up.
- Effective and efficient new products / services development in relation to rate of new products/services development effectiveness of sources of ideas, the extent of market feedback, success rate and strong new products and new services leadership.
- Operational marketing segmentation in terms of positioning and mix (product, price, promotion, place or distribution, people, process and physical evidence i.e. the 7P's of marketing mix).
- Sharply focused positioning
- Wide variety of products
- Effective marketing management information system
- Goodwill: - brand loyalty
- Effective consumerism

These factors and strengths are quite important to the firm's capability to compete effectively in the market external environment. However, in as much as we know that some firms can compete in these factors, some firms still prefer some other approaches or ways involving low prices, lower quality, more promotion and wide distribution.

Nevertheless, Glueck and Jauch (1984) opined that the changing nature of competition requires a close look at marketing strengths and weaknesses in order to build competitive advantage in increasingly fragmented markets. They further noted that, there should be an assessment of firm's weakness in relation to market potential in order to suggest areas where improvements can be made. For instance, if there is a gap perception in the product line, new product development or acquisition will be called for, in order to fill out the existing line or the creation of new ones. Similarly, a gap in distribution might result to gear efforts to build intensity, as well as exposure or coverage. In the same vein, if there are usage gaps, adjustments in price and promotion can also lead to increased frequency of purchase, in that, new uses or users (customers) can be found for products adoption.

However, inasmuch as these noted areas are of significant importance, other related areas of attention should include issues relating to marketing organization functions and the importance of marketing to organizational management success. For instance, the ability of the organization to accumulate better knowledge of its market than the competitor. It is interesting to note that, if this is properly used, it can become a major advantage with respect to assessing the need for changes and determination of their timing. In addition, if the marketing organization maintains good relationship with production or new product engineering, and noting that every product or service starts and ends with making department, the translation of the marketplace needs into the timely creation of goods and services can lead to a competitive edge. On the whole, the evaluation of the role of marketing to the overall success of the company, and noting the relative strength of marketing and the way it is managed, in relation to major competitors, may lead to indications of strengths or weakness that many affect effective strategy formulation and implementation.

Finance and Accounting Capability Factors and Strengths

Finance and Accounts capability factors help to examine the financial and accounting implications of corporate and business – level strategic options, in addition to the identification of the best financial and accounting course of action that will guide the formulation of strategy. Finance can also provide competitive advantage and effective financial ratios analysis, through a lower cost of funds and a flexible ability to raise capital that will support the processes of strategy formulation. Some other major purposes of financial analysis are: (1) to help pinpoint financial strengths and weaknesses on other functional areas from operational and strategic perspectives, and (2) to examine the working capital needs for strategic versus ongoing operations during periods of inflation. This is important because, as a result of past strategic choices, firms may have tied up so much cash that future options are limited. On the other side of the coin, cash-rich firms must determine how long existing strengths will provide a continuously flow of funds and make decision on how to wisely invest such and that regard. In effect, comprehensive financial analysis consists of four basic elements or components:

- Ratio analysis of the firm's historical financial performance;
- Interpretation of the cash flow position;
- Analysis of the retained earning position;
- Predictions of future financial statements.

Some of the main areas of strength or influential factors of interest and focus in finance and accounts that need to be examined, while appraising organizational capability factors for purposes of strategy formulation include;

- Total financial resources strengths
- Advantageous tax conditions relating to efficiency in tax planning procedures; and benefits resulting from various government policies.
- High level of shareholder's trust and confidence
- Efficient and effective financial planning, working capital management, capital budgeting procedures, internal audit and accounting system.
- Effective and amicable relationship with financial institutions, and owners / stockholders.

- Low cost of capital as compared to what is obtainable to competitors.
- High level of credit worthiness and creditors confidence.
- Efficient and effective inventory valuation policies.
- Effective capital structure, allowing flexibility in raising additional capital as need demands, in addition to financial leverage.
- Reliable access to financial resources.
- Effective and efficient management information and control system.

Personnel and Corporate Resources Capability Factors and Strengths

This relates to the overall purpose of personnel and other corporate resources capability functions. It includes the existence and usage of human resources and skills for effective relationship between employees and organization management that will enhance effective strategy formulation and implementation. This implies that the personnel and other corporate resources capability analysis is an assessment of the strengths and weaknesses of that relationship that will guide strategy formulation and implementation. The functions and capabilities as relatedly argued by Glueck (1980) and David (2009) can be analysed by examining the following factors and questions or others tailored to the organization, which can also strengthen and provide strategic advantage to a company.

Job Analysis Factors

- Are all necessary skills present?
- Are all necessary jobs present?
- Are selection and placement systems effective?
- Are recruiting capabilities feasible?
- Is training effectiveness guaranteed?

Factors Related To Union-Management Relations

- Collective bargaining positions and quality of relations issues.
- Negotiation schedules and image of unions representing employees.
- Safety morale, welfare, security and satisfactory position of employees

Job Evaluation Factors

- Appropriate pay scales
- Image of pay scale with the related labour market.
- Do pay differentials reflect job content differences?
- Adequacy of benefits

- Low Turnover Rate and Low Level of Absenteeism Rate In Addition To Lower Costs of Labour
- Genuine Concern for Human Resources Management and Development
- Attitude of Employees and Managers
- High Level of Organizational Commitment
- High Level of Organizational Loyalty and Team Spirit
- Efficient and Effective Personnel Systems
- Congenial Working or Operational Environment
- Highly Satisfied and Motivated Workforce
- Reliability and Validity Performance Evaluation
- Effective Management Information and Computer Systems
- High Quality Personnel with Balanced Functional Experience and Track Record of Top Management and Effective Corporate – Staff Support Systems
- Effective Organization Structure and Climate
- Corporate Image and Prestige
- Good Enterprise Record and Consistency for Reaching Objectives Compared With Similar Enterprises
- Effective Strategic Management System
- Efficient and Effective Human Resources and Management Policies
- Effective Influence In Relation To Governmental Regulatory Bodies

Effective Company Size or Structure In Relation To the Industry (Barrier To Entry)

Production and Operations Management Capability Factors and Strengths

The production and operations management capability factors relate to the manufacturing or production of goods and services, the use of material resources and other related areas that have the capacity or capability of enhancing the ability for the formulation and implementation of strategies. Relatedly, the production or manufacturing area's strengths and weaknesses relate to examination of the organization's ability to produce its products or services at the desired quality and quantity level on planned time and costs. Some of the important factors as relatedly opined by Glueck (1980) and David (2009) which may strengthen or influence the evaluative variables of the operations and production capability of an organization are as specified below:

Facilities and Equipment

- High level of capacity utilization to meet market demands.
- Efficient and effective equipment and machineries

- Efficient and effective facilities availability.
- Level of technology applied, and technological competence feasibility.
- Process optimality, per-unit cost of manufacturing
- Obsolescence evaluation for both today and future operations

Costs, Quality and Inventory Levels and Control

- Inspection and remanufacturing costs
- Inventory level and turnover control
- Inventory costs and trends
- Rational or effective inventory maintenance
- Defective units level and quality control
- Competitive position and quality consistency
- Raw materials and subassemblies costs
- Adequate and availability of raw materials and sub-assemblies
- Lower total costs of operation compared with competitors' total costs.

Procurement

- Sources
- Quality of inputs
- Constant lead times maintenance
- Planning and scheduling
- Efficient and effective production procedures, design, and scheduling.
- Efficient and effective maintenance policies.
- Effective vertical integration
- Availability of high calibre of research and development (R&D) personnel.
- Strategic location of facilities, offices and markets.

Research and Development (R&D) and Engineering Capability Factors and Strengths

Research and development and engineering functions can enhance competitive advantage. There are also other major internal operations that can provide technical analysis and support to other departments, in addition to the designs of products/services or processes to meet market needs and demands for profit generation. R and D guides product, technology and process innovation and improvement, in addition to the appropriate mix of different types of R and D

functions (basic, product, or process). For the management of R&D functions to be effective, such will require a strategic and operational partnership or alliance between general and R&D and other vital business functions. This assertion is in line with what David (2009) disclosed that, a spirit of partnership and mutual trust between general R&D managers is evident today in the best-managed companies. It is further observed that managers in those companies jointly explore, assess, and arrive at the decision of what, when, where, why, and how much of R&D to embark on. In addition, issues relating to priorities, costs, benefits, risks, and rewards associated with R&D activities should be accordingly discussed openly and shared. This also makes the overall mission of R&D to become broad-based, including supporting existing businesses, helping to launch the new businesses, developing new products, improvement of product quality and manufacturing efficiency, as well as depending or broadening the company's technological capabilities (Rousebl, Saad and Erickson, 1991). R and D as they argued, relates with the question of how new technology should be accessed – internal development, external acquisition, or strategic alliances. The operation of R&D functions must strike a balance between practicality and creativity as to contribute successfully to profit goals and objectives. However, it is suggested that overemphasis on practical matters can impair future profitability because few innovations will be generated. On the other hand, it is also noted that overemphasis on creativity could result in generation of few marketable product ideas, while researchers explore the frontiers of scientific disciplines. The fact remains that, the correct balance between creativity and practicality for a particular firm is a strategic issue that cannot be decided absolutely. This implies that the balance is a function of the extent to which the organization requires either innovation or market emphasis, and that the issue is a function of business-level goals and objectives and action plans. The conduct or examination of R&D and engineering functions involve the identification of strengths and weaknesses in R&D and engineering activities, that will enhance the formulation and implementation of strategies, and are as hereunder expressed (Glueck, 1980):

- Excellence in product and service design.
- Improvement in the use of old and new materials.
- Trained and experienced technicians and scientists.
- Basic research capabilities within that company.
- Ability to perform effective technological forecasting
- Superior packaging developments.
- Development capability for product engineering.
- Well-equipped laboratories and testing facilities
- Congenial work environment suited to creativity and innovation.

Information Management Capability Factors and Strengths

Information management capability factors concern the design and management of the flow of information in an organization in ways that assist the formulation and implementation of strategies. Relevant information need to be collected, stored, retrieved and synthesized in such a way that it could answer certain questions that will encourage flow of information and strategy formulation and implementation. Evans (2013) remarked that information networks are challenging traditional hierarchies, and value chains may also be breaking up ("deconstructing") where information aspects

can be separated from functional activity. In line with this, it is observed that data that are readily available for free or very low cost make it harder for information-based and vertically integrated businesses to remain intact. In a related development, Evans (2014) added that the basic story relating to the above assertion is what used to be vertically integrated and oligopolistic competitors who are evolving by one means or another, from a vertical structure to a horizontal one. Some of the relevant factors that can influence or strengthen and enhance information capability, competitive advantage and strategy formulation and implementation, as relatedly expressed by Kazmi (2008) are:

- Relevant information availability, appropriateness and capacity of a company to assimilate and use information.
- Information speed, scope, width and depth of coverage as well as firm's willingness to accept information
- Database management, computer systems, software capability and ability to synthesize information.
- Wide coverage and networking of computer systems.
- Positive attitude to sharing and disseminating information.
- Widespread use of computerized information system.
- Ease and convenience of access to information sources.
- Availability of information technology infrastructure.
- Presence of fool proof information security systems.
- Availability and operational effectiveness of high tech equipment.

Organization Structure Capability Factors and Strengths

Organization structure (or chart or organogram) is defined as the division of tasks for efficiency and clarity of purpose, as well as the coordination between the interdependent parts of the organization to ensure organizational effectiveness (Singh, 2004). Organizational structure according to him balances the need for specialization with the need for integration. It also provides a formal means of decentralizing and centralizing consistent with the organizational and control needs of the strategic perspectives. It is through structure that strategists coordinate and attempt to balance internal efficiency and overall effectiveness of the organization within a broader environment (Chikwe and Anwuri, 2017). The structure of an organization is a very important determinant in strategy formulation (Chikwe and Biriowu, 2019). Structure also follows strategy in the sense that once a strategy has been selected, the organizational framework of the business will usually have to be changed to implement that strategy (Chandler, 1962; Singh, 2004). They similarly cited examples of how diversification or expansion strategy may lead to creation of divisions that can create more levels in management hierarchy and wide spans of control of managers. In fact, the influence of organizational structure in strategy formulation process cannot be overemphasized, because, a firm's structural form can affect internal communications, interpersonal relations and other strategic perspectives. According to Singh (2004), firms with organization systems based on advanced information technology can use Information Technology (IT) trends to support and hence, influence the strategy formulation process.

Organization structure must support strategies formulation and facilitate their implementation. To do and enhance such, structure must prevent a certain set of problems from materializing. These problems are the characteristics that are

searched for to determine the appropriateness of a change in structure. It is important to note that changing structure is possible and risky, but nevertheless, care should be exercised. Change of structure should not be tampered with, unless there is either a problem present or strategy that must be corrected, or one that can reasonably be expected to develop if a change is not made. However, in either case, organization structure should be changed only because of specific problems. This actually implies that there is no absolutely best structure, but only the structure that minimizes organization –related problems.

CONCLUSIONS

Organizational appraisal and capability factors assessments contribute meaningfully and are done in order to develop feasible strategies that will lead to the realization of organizational set objectives, survival and overall sustainability. The identification of organization's distinctive capabilities (competencies) factors and functional areas factors dynamics evaluation are important considerations in the development of strategic focus on firm's distributive competencies and sustainability. The study also reveals that there are two fundamental ways to conduct organizational appraisal and functional areas factors capability assessments for firm's sustainability, and these are, the vertical and horizontal strands. In the vertical strand, the strengths and weaknesses are captured at each organizational level, while the horizontal perspective relates to the functional areas capability factors of the strategic business unit (SBU).

RECOMMENDATIONS

The horizontal strand aspect of capability assessment is in most cases, being recommended because of its seemingly universal applicability in organizational capabilities management and firm's sustainability. The study further recommends the strict functional areas assessment compliance and adoption of synergistic strategic outcomes.

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